



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
CUMBERLAND COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1999

**EDWARD B. HATCHETT, JR.
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Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Donna Thurman-Knight, Cumberland County Judge/Executive

Honorable Larry C. Hoots, Former Cumberland County Judge/Executive

Members of the Cumberland County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Cumberland County, Kentucky, as of June 30, 1999, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Cumberland County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Cumberland County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Cumberland County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1999, in conformity with the cash basis of accounting described above.

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Donna Thurman-Knight, Cumberland County Judge/Executive

Honorable Larry C. Hoots, Former Cumberland County Judge/Executive

Members of the Cumberland County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Cumberland County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated March 23, 2000 on our consideration of Cumberland County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

We commend the Cumberland County Fiscal Court for their efforts to maintain complete and accurate accounting records. During the audit we noted the following good practices:

- The County Has Implemented An Adequate Purchase Order System
- Each Month The County Has Prepared Timely Bank Account Reconciliations
- The County Adequately Monitored The Collateralization Of All Deposits On Hand
- The County Maintained Original Documentation For Disbursements And Documentation Was Stamped, Perforated, Or Otherwise Cancelled To Reflect Payment

Respectfully submitted,



Edward B. Hatchett, Jr.

Auditor of Public Accounts

Audit fieldwork completed -
March 23, 2000

CUMBERLAND COUNTY OFFICIALS

June 30, 1999

| | |
|----------------------|----------------------------------|
| Donna Thurman-Knight | County Judge/Executive |
| Lindsey Bell | County Attorney |
| Betty L. Hogan | County Clerk |
| Hazel Jones | Circuit Court Clerk |
| James Pruitt | Sheriff |
| Floyd Branham | Jailer |
| Gina Watson | Property Valuation Administrator |
| Christine Smith | County Treasurer |
| Gary White | Coroner |
| Thomas J. Brown | Magistrate |
| Frankie Sells | Magistrate |
| Lester K. Long | Magistrate |
| Dewey Earl Branham | Magistrate |

STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

CUMBERLAND COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1999

Assets

General Fund:

| | |
|-------------|----------|
| Cash | \$ 5,955 |
| Investments | 35,000 |

Road and Bridge Fund:

| | |
|-------------|--------|
| Cash | 37,324 |
| Investments | 75,000 |

Jail Fund:

| | |
|------|--------|
| Cash | 12,146 |
|------|--------|

Local Government Economic Assistance Fund:

| | |
|-------------|-------|
| Cash | 2,213 |
| Investments | 6,000 |

Fire Protection Fund:

| | |
|------|-------|
| Cash | 4,799 |
|------|-------|

Voted Hospital Bond Fund:

| | |
|---------------------------------|----|
| Moneys in Hands of Paying Agent | 53 |
|---------------------------------|----|

| | |
|--------------|------------|
| Total Assets | \$ 178,490 |
|--------------|------------|

Liabilities and Fund Balances

Liabilities

Voted Hospital Bond Fund:

| | |
|----------------------------------|-------|
| Interest Matured and Unpresented | \$ 53 |
|----------------------------------|-------|

Fund Balances

Reserved:

| | |
|----------------------|-------|
| Fire Protection Fund | 4,799 |
|----------------------|-------|

Unreserved:

| | |
|---|---------|
| General Fund | 40,955 |
| Road and Bridge Fund | 112,324 |
| Jail Fund | 12,146 |
| Local Government Economic Assistance Fund | 8,213 |

| | |
|-------------------------------------|------------|
| Total Liabilities and Fund Balances | \$ 178,490 |
|-------------------------------------|------------|

The accompanying notes are an integral part of the financial statements.

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STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

CUMBERLAND COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1999

| <u>Cash Receipts</u> | Totals (Memorandum Only) | General Fund | Road and Bridge Fund | Jail Fund |
|---|--------------------------------|-------------------|----------------------------|-------------------|
| Schedule of Operating Revenue | \$ 1,102,587 | \$ 332,589 | \$ 718,867 | \$ 39,580 |
| Transfers In | 237,155 | 144,200 | | 92,955 |
| Kentucky Advance Revenue Program | 261,895 | | 261,895 | |
| Total Cash Receipts | <u>\$ 1,601,637</u> | <u>\$ 476,789</u> | <u>\$ 980,762</u> | <u>\$ 132,535</u> |
| <u>Cash Disbursements</u> | | | | |
| Comparative Schedule of Final Budget and Budgeted Expenditures | \$ 1,125,989 | \$ 472,989 | \$ 511,858 | \$ 126,913 |
| Transfers Out | 237,155 | 92,955 | 144,200 | |
| Kentucky Advance Revenue Program Repaid | 261,895 | | 261,895 | |
| Total Cash Disbursements | <u>\$ 1,625,039</u> | <u>\$ 565,944</u> | <u>\$ 917,953</u> | <u>\$ 126,913</u> |
| Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements | \$ (23,402) | \$ (89,155) | \$ 62,809 | \$ 5,622 |
| Cash Balance - July 1, 1998* | <u>201,892</u> | <u>130,110</u> | <u>49,515</u> | <u>6,524</u> |
| Cash Balance - June 30, 1999* | <u>\$ 178,490</u> | <u>\$ 40,955</u> | <u>\$ 112,324</u> | <u>\$ 12,146</u> |

* Cash Balance Includes Investments

The accompanying notes are an integral part of the financial statements.

CUMBERLAND COUNTY
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN CASH BALANCES
 Fiscal Year Ended June 30, 1999
 (Continued)

| Local Government Economic Assistance Fund | Fire Protection Fund | Voted Hospital Bond Fund |
|---|----------------------------|-----------------------------------|
| \$ 8,260 | \$ 3,291 | \$ |
| <u>\$ 8,260</u> | <u>\$ 3,291</u> | <u>\$ 0</u> |
| \$ 11,591 | \$ 2,638 | \$ |
| <u>\$ 11,591</u> | <u>\$ 2,638</u> | <u>\$ 0</u> |
| \$ (3,331) 11,544 | \$ 653 4,146 | \$ 0 53 |
| <u>\$ 8,213</u> | <u>\$ 4,799</u> | <u>\$ 53</u> |

CUMBERLAND COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Cumberland County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14, there are no component units which merit consideration as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Cumberland County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

CUMBERLAND COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.22 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of August 21, 1998, the county's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bonds which named the county as beneficiary/obligee on the bonds.

CUMBERLAND COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 1999
 (Continued)

Note 4. Lease-Purchase Agreement

The county has entered into the following lease-purchase agreement:

| <u>Description</u> | <u>Purchase Date</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Amount</u> |
|----------------------|--------------------------|--------------------------|--------------------------|------------------|
| Voting Machine Lease | 10/23/1998 | 10/20/02 | 4.747% | <u>\$ 29,522</u> |

Note 5. Insurance

In the prior years, Cumberland County was a member of the Kentucky Association of Counties' All Line Insurance Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses. The Kentucky Department of Insurance has ordered the KALF program to raise additional premiums in order to increase reserves for claims that occurred before December 31, 1995. As a result of this order, Cumberland County was assessed an additional premium of \$20,139 which is to be paid in three equal installments of \$6,713. As of June 30, 1999 Cumberland had paid a total of \$13,426 leaving a balance of \$6,713.

COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

CUMBERLAND COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1999

| <u>Budgeted Funds</u> | <u>Budgeted Operating Revenue</u> | <u>Actual Operating Revenue</u> | <u>Over (Under) Budget</u> |
|---|---|---|------------------------------------|
| General Fund | \$ 299,603 | \$ 332,589 | \$ 32,986 |
| Road and Bridge Fund | 914,964 | 718,867 | (196,097) |
| Jail Fund | 36,753 | 39,580 | 2,827 |
| Local Government Economic Assistance Fund | 15,650 | 8,260 | (7,390) |
| Fire Protection Fund | 2,760 | 3,291 | 531 |
| | <hr/> | <hr/> | <hr/> |
| Totals | \$ 1,269,730 | \$ 1,102,587 | \$ (167,143) |

Reconciliation

| | |
|--|--------------------|
| Total Budgeted Operating Revenue Above | \$ 1,269,730 |
| Add: Budgeted Prior Year Surplus | 182,541 |
| Less: Other Financing Uses | <hr/> (261,895) |
| Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures | <hr/> \$ 1,190,376 |

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SCHEDULE OF OPERATING REVENUE

CUMBERLAND COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1999

| | Totals (Memorandum Only) | General Fund | Road and Bridge Fund | Jail Fund |
|---|--------------------------------|-------------------|----------------------------|-------------|
| <u>Revenue From Local Taxes and Excess Fees</u> | | | | |
| Sheriff: | | | | |
| Taxes | \$ 98,046 | \$ 94,879 | \$ | \$ |
| County Clerk: | | | | |
| Deed Transfer Tax | 10,209 | 10,209 | | |
| Delinquent Taxes | 5,063 | 5,026 | | |
| Excess Fees - 1998 | 9,966 | 9,966 | | |
| Tangible Personal Property Taxes: | | | | |
| Other Counties | 1,941 | 1,941 | | |
| County Clerk | 22,106 | 22,106 | | |
| Bank Share Tax | 15,500 | 15,500 | | |
| In Lieu of Taxes: | | | | |
| Tennessee Valley Authority | 12,776 | 12,776 | | |
| U.S. Treasurer | 2,946 | 2,946 | | |
| Totals | <u>\$ 178,553</u> | <u>\$ 175,349</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| <u>Federal Receipts - State Treasurer</u> | | | | |
| Flood Control Receipts | <u>\$ 75,689</u> | <u>\$ 75,689</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| <u>Kentucky State Treasurer</u> | | | | |
| Jail: | | | | |
| Allotments | \$ 28,776 | \$ | \$ | \$ 28,776 |
| Medical Allotments | 2,764 | | | 2,764 |
| Driving Under The Influence Fees | 2,972 | | | 2,972 |
| County Road Aid | 527,778 | | 527,778 | |
| Truck License Distribution | 161,449 | | 161,449 | |
| Election Expense Reimbursement | 4,080 | 4,080 | | |
| Delinquent Taxes | 77 | 77 | | |
| Courthouse Rental - Administrative | | | | |
| Office of the Courts | 18,313 | 18,313 | | |
| Refunds: | | | | |
| Legal Process Tax | 39 | 39 | | |
| Drivers Licenses | 669 | | 669 | |

CUMBERLAND COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

| | |
|-------------|-------------|
| Local | |
| Government | |
| Economic | Fire |
| Assistance | Protection |
| <u>Fund</u> | <u>Fund</u> |

| | | |
|----|----|-------|
| \$ | \$ | 3,167 |
|----|----|-------|

37

| | | | |
|-----------|----------|-----------|--------------|
| <u>\$</u> | <u>0</u> | <u>\$</u> | <u>3,204</u> |
|-----------|----------|-----------|--------------|

| | | | |
|-----------|----------|-----------|----------|
| <u>\$</u> | <u>0</u> | <u>\$</u> | <u>0</u> |
|-----------|----------|-----------|----------|

| | |
|----|----|
| \$ | \$ |
|----|----|

CUMBERLAND COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

| | Totals (Memorandum Only) | General Fund | Road and Bridge Fund | Jail Fund |
|--|--------------------------------|-------------------|----------------------------|------------------|
| <u>Kentucky State Treasurer</u> (Continued) | | | | |
| Refunds: (Continued): | | | | |
| Dog License | \$ 4 | \$ 4 | \$ | \$ |
| Severance Taxes: | | | | |
| Mineral | 7,629 | | | |
| Board of Assessments | 200 | 200 | | |
| Grants: | | | | |
| Ambulance | 5,072 | 5,072 | | |
| Disaster and Emergency Assistance Grant - Coordinator Salary | 623 | 623 | | |
| Burkesville and Marrowbone Fire Department Projects | 40,000 | 40,000 | | |
| Omitted Tangible Taxes | 101 | 101 | | |
| Totals | <u>\$ 800,546</u> | <u>\$ 68,509</u> | <u>\$ 689,896</u> | <u>\$ 34,512</u> |
| <u>Miscellaneous Revenue</u> | | | | |
| Interest | \$ 21,902 | \$ 3,799 | \$ 17,297 | \$ 288 |
| Circuit Court Clerk: | | | | |
| Jail Cost | 4,780 | | | 4,780 |
| Fines and Forfeitures | 1,700 | 1,500 | | |
| Licenses and Permits: | | | | |
| Cable TV Franchise | 4,369 | 4,369 | | |
| Refunds | 13,403 | 1,729 | 11,674 | |
| Insurance Reimbursements | 895 | 895 | | |
| Vending Machine Revenue | 282 | 282 | | |
| Advertising Cost | 468 | 468 | | |
| Miscellaneous Items | | | | |
| Totals | <u>\$ 47,799</u> | <u>\$ 13,042</u> | <u>\$ 28,971</u> | <u>\$ 5,068</u> |
| Total Operating Revenue | <u>\$ 1,102,587</u> | <u>\$ 332,589</u> | <u>\$ 718,867</u> | <u>\$ 39,580</u> |

CUMBERLAND COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

| | |
|-------------|-------------|
| Local | |
| Government | |
| Economic | Fire |
| Assistance | Protection |
| <u>Fund</u> | <u>Fund</u> |

| | |
|----|----|
| \$ | \$ |
|----|----|

| | |
|-------|--|
| 7,629 | |
|-------|--|

| | | | |
|-----------|--------------|-----------|----------|
| <u>\$</u> | <u>7,629</u> | <u>\$</u> | <u>0</u> |
|-----------|--------------|-----------|----------|

| | | | |
|----|-----|----|----|
| \$ | 431 | \$ | 87 |
|----|-----|----|----|

| | |
|-----|--|
| 200 | |
|-----|--|

| | | | |
|-----------|--------------|-----------|--------------|
| <u>\$</u> | <u>631</u> | <u>\$</u> | <u>87</u> |
| <u>\$</u> | <u>8,260</u> | <u>\$</u> | <u>3,291</u> |

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COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

CUMBERLAND COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

| | <u>Final Budget</u> | <u>Budgeted Expenditures</u> | <u>Under (Over) Budget</u> |
|---|-------------------------|----------------------------------|------------------------------------|
| <u>GENERAL FUND</u> | | | |
| <u>General Government</u> | | | |
| Office of County Judge/Executive: | | | |
| Salaries- | | | |
| County Judge/Executive | \$ 49,226 | \$ 49,139 | \$ 87 |
| County Finance Officer | 17,596 | 17,271 | 325 |
| Office of County Attorney: | | | |
| County Attorney Salary | 14,004 | 14,004 | |
| Office of County Clerk: | | | |
| County Court Clerk Salary | 5,496 | 5,496 | |
| Fees | 3,000 | 1,821 | 1,179 |
| Office of Sheriff: | | | |
| Salaries- | | | |
| Deputies | 17,240 | 17,240 | |
| Dispatchers | 20,790 | 20,785 | 5 |
| Fiscal Court: | | | |
| Magistrates Salaries | 15,682 | 15,682 | |
| Office of Property Valuation Administrator: | | | |
| Statutory Contribution | 7,536 | 7,506 | 30 |
| Office of Board of Assessment Appeals: | | | |
| Per Diem | 400 | 400 | |
| Office of County Treasurer: | | | |
| County Treasurer's Salary | 15,642 | 15,592 | 50 |
| County Law Library: | | | |
| Law Librarian Salary | 600 | 600 | |
| Elections: | | | |
| Per Diem- | | | |
| Election Commissioners | 1,500 | 1,129 | 371 |

CUMBERLAND COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

| | Final Budget | Budgeted Expenditures | Under (Over) Budget |
|---|-----------------|--------------------------|---------------------------|
| <u>GENERAL FUND</u> (Continued) | | | |
| <u>General Government</u> (Continued) | | | |
| Elections: (Continued) | | | |
| Per Diem - (Continued) | | | |
| Election Officers | \$ 5,300 | \$ 5,268 | \$ 32 |
| Maintenance and Repairs | 16,175 | 16,157 | 18 |
| Polling Place Rentals | 600 | 600 | |
| Courthouse: | | | |
| Custodial Salary | 4,017 | 4,017 | |
| Office Advertising | 4,600 | 4,482 | 118 |
| Maintenance and Repairs | 15,368 | 15,367 | 1 |
| Telephone | 3,699 | 3,138 | 561 |
| Utilities | 11,577 | 10,153 | 1,424 |
| Materials and Supplies | 5,000 | 4,872 | 128 |
| Office Supplies | 9,255 | 8,568 | 687 |
| <u>Protection to Persons and Property</u> | | | |
| County Fire Department: | | | |
| Matching Share | 900 | 600 | 300 |
| Rescue Squad: | | | |
| Matching Share | 300 | 300 | |
| Disaster and Emergency Services: | | | |
| Other Wages and Salaries | 1,386 | 1,386 | |
| Emergency Materials and Supplies | 450 | 420 | 30 |
| Ambulance Service: | | | |
| Senate Bill 66 Pass-Through | | | |
| Ambulance Grant | 5,072 | 5,072 | |
| Office of Public Defender: | | | |
| Mandated Program Support | 848 | 848 | |

CUMBERLAND COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

| | Final Budget | Budgeted Expenditures | Under (Over) Budget |
|--|-----------------|--------------------------|---------------------------|
| <u>GENERAL FUND</u> (Continued) | | | |
| <u>General Health and Sanitation</u> | | | |
| Dog Control: | | | |
| Salaries | \$ 6,000 | \$ 6,000 | \$ |
| Animal Shelter | 740 | 739 | 1 |
| Solid Waste Collection: | | | |
| Recycling Programs | 1,700 | 622 | 1,078 |
| Water System: | | | |
| Water Transport Lines | 14,520 | 14,513 | 7 |
| <u>Social Services</u> | | | |
| Senior Citizens Program: | | | |
| Matching Share | 300 | 300 | |
| <u>Recreation and Culture</u> | | | |
| Other Recreation Programs: | | | |
| County Arts Festival | 1,000 | 1,000 | |
| <u>Debt Service</u> | | | |
| Other County Liabilities: | | | |
| Insurance - Kentucky Association of County Officials Assessment | 4,175 | 4,175 | |
| <u>Capital Projects</u> | | | |
| Other Capital Projects: | | | |
| Voting Machines | 21,300 | 21,287 | 13 |
| Construction Outlay - County Fire Departments | 40,000 | 40,000 | |
| <u>Administration</u> | | | |
| General Services: | | | |
| Audit Services | 11,275 | 11,273 | 2 |

CUMBERLAND COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

| | Final Budget | Budgeted Expenditures | Under (Over) Budget |
|--|-------------------|--------------------------|---------------------------|
| <u>GENERAL FUND</u> (Continued) | | | |
| <u>Administration</u> (Continued) | | | |
| General Services: (Continued) | | | |
| Insurance | \$ 22,625 | \$ 22,618 | \$ 7 |
| Memberships and Dues | 4,973 | 4,973 | |
| Contingent Appropriations: | | | |
| Reserve for Transfers | 6 | | 6 |
| Other Materials and Supplies | 1,800 | 1,783 | 17 |
| Miscellaneous | 5,160 | 5,157 | 3 |
| Fringe Benefits: | | | |
| County Contributions- | | | |
| Social Security | 23,850 | 23,287 | 563 |
| Retirement | 25,775 | 24,916 | 859 |
| Health Insurance | 27,700 | 27,689 | 11 |
| Worker's Compensation | 3,850 | 3,813 | 37 |
| Unemployment Insurance | 932 | 931 | 1 |
| Distributions to Other Governmental Agencies: | | | |
| Education Program | 10,000 | 10,000 | |
| Total General Fund | <u>\$ 480,940</u> | <u>\$ 472,989</u> | <u>\$ 7,951</u> |

ROAD AND BRIDGE FUND

General Government

Fiscal Court:

| | | | |
|-------------------------------|----------|----------|----|
| Magistrates Expense Allowance | \$ 9,600 | \$ 9,600 | \$ |
|-------------------------------|----------|----------|----|

Courthouse:

| | | | |
|-------------------------------------|-------|-------|--|
| County Maintenance Garage Utilities | 2,600 | 2,600 | |
|-------------------------------------|-------|-------|--|

Roads

Office of Road Supervisor/Engineer:

| | | | |
|------------------------|--------|--------|----|
| Road Supervisor Salary | 20,386 | 20,357 | 29 |
|------------------------|--------|--------|----|

CUMBERLAND COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

| | Final Budget | Budgeted Expenditures | Under (Over) Budget |
|--|-----------------|--------------------------|---------------------------|
| <u>ROAD AND BRIDGE FUND</u> (Continued) | | | |
| <u>Roads</u> (Continued) | | | |
| Office of Road Supervisor/Engineer: (Continued) | | | |
| Telephone | \$ 1,200 | \$ 657 | \$ 543 |
| Road Maintenance: | | | |
| Road Workers Salaries | 85,000 | 80,871 | 4,129 |
| Maintenance and Grounds | 3,500 | 1,329 | 2,171 |
| Maintenance and Repairs - Equipment | 30,500 | 30,119 | 381 |
| Road Materials | 263,045 | 256,907 | 6,138 |
| Petroleum Products | 13,000 | 11,283 | 1,717 |
| Highway Equipment | 45,000 | 37,679 | 7,321 |
| <u>Debt Service</u> | | | |
| Borrowed Money: | | | |
| Interest | 5,730 | 5,730 | |
| Other County Liabilities: | | | |
| Insurance - Kentucky Association of County Officials Assessment | 2,538 | 2,538 | |
| <u>Capital Projects</u> | | | |
| Streets and Highways: | | | |
| Signs | 2,000 | 1,344 | 656 |
| <u>Administration</u> | | | |
| General Services: | | | |
| Audit Services | 2,700 | 754 | 1,946 |
| Insurance | 12,500 | 8,690 | 3,810 |
| Refunds | 100 | | 100 |
| Contingent Appropriations: | | | |
| Reserve for Budget Transfers | 5,255 | | 5,255 |
| Other Supplies and Materials | 1,000 | 900 | 100 |
| Miscellaneous | 1,720 | 1,555 | 165 |

CUMBERLAND COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

| | Final Budget | Budgeted Expenditures | Under (Over) Budget |
|---|-----------------|--------------------------|---------------------------|
| <u>ROAD AND BRIDGE FUND</u> (Continued) | | | |
| <u>Administration</u> (Continued) | | | |
| Fringe Benefits: | | | |
| County Contributions- | | | |
| Retirement | \$ 9,375 | \$ 9,110 | \$ 265 |
| Social Security | 8,500 | 8,055 | 445 |
| Health Insurance | 15,790 | 15,662 | 128 |
| Worker's Compensation | 5,800 | 5,763 | 37 |
| Unemployment Insurance | 2,000 | 355 | 1,645 |
| Total Operating Budget | \$ 548,839 | \$ 511,858 | \$ 36,981 |
| Other Financing Uses: | | | |
| Kentucky Advance Revenue Program- | | | |
| Principal | 261,895 | 261,895 | |
| Total Road and Bridge Fund | \$ 810,734 | \$ 773,753 | \$ 36,981 |

JAIL FUND

Protection to Persons and Property

| | | | |
|------------------------------------|-----------|-----------|-------|
| Office of Jailer: | | | |
| Personnel Services- | | | |
| Jailer Salary | \$ 16,614 | \$ 16,613 | \$ 1 |
| Operations- | | | |
| Food | 200 | 46 | 154 |
| Routine Medical | 25,736 | 18,558 | 7,178 |
| Juvenile Detention | 7,000 | 5,670 | 1,330 |
| Transporting Prisoners to | | | |
| Other Counties | 11,800 | 11,108 | 692 |
| Housing Prisoners - Other Counties | 69,314 | 68,604 | 710 |

Administration

| | | | |
|-------------------|-----|--|-----|
| General Services: | | | |
| Association Dues | 100 | | 100 |

CUMBERLAND COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

| | Final Budget | Budgeted Expenditures | Under (Over) Budget |
|-----------------------------------|-------------------|--------------------------|---------------------------|
| <u>JAIL FUND (Continued)</u> | | | |
| <u>Administration (Continued)</u> | | | |
| Contingent Appropriations: | | | |
| Reserve for Budget Transfers | \$ 5,816 | \$ | \$ 5,816 |
| Miscellaneous | 1,000 | 687 | 313 |
| Fringe Benefits: | | | |
| County Contributions- | | | |
| Retirement | 2,036 | 2,035 | 1 |
| Social Security | 1,558 | 1,556 | 2 |
| Health Insurance | 2,040 | 2,036 | 4 |
| Total Jail Fund | <u>\$ 143,214</u> | <u>\$ 126,913</u> | <u>\$ 16,301</u> |

LOCAL GOVERNMENT ECONOMIC
ASSISTANCE FUND

General Government

Office of County Coroner:

| | | | |
|------------------------|----------|----------|-----|
| Salaries- | | | |
| County Coroner Salary | \$ 4,994 | \$ 4,994 | \$ |
| Deputy Coroner Salary | 1,200 | 1,200 | |
| County Coroner Expense | 1,450 | 1,330 | 120 |

General Health and Sanitation

| | | | |
|-----------------|-------|-------|-----|
| Solid Waste: | | | |
| General Welfare | 2,750 | 2,602 | 148 |

Social Services

| | | | |
|------------------------|-----|-----|-----|
| Services to Indigents: | 900 | 600 | 300 |
|------------------------|-----|-----|-----|

Administration

General Services:

| | | | |
|---------|----|--|----|
| Refunds | 10 | | 10 |
|---------|----|--|----|

CUMBERLAND COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

| | Final Budget | Budgeted Expenditures | Under (Over) Budget |
|--|-----------------|--------------------------|---------------------------|
| <u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND</u> (Continued) | | | |
| <u>Administration</u> (Continued) | | | |
| Fringe Benefits: | | | |
| County Contributions- | | | |
| Retirement | \$ 450 | \$ 410 | \$ 40 |
| Social Security | 465 | 455 | 10 |
| Health Insurance | 925 | | 925 |
| | | | |
| Total Local Government Economic Assistance Fund | \$ 13,144 | \$ 11,591 | \$ 1,553 |
| <u>FIRE PROTECTION FUND</u> | | | |
| Forest Fire Protection | \$ 4,239 | \$ 2,638 | 1,601 |
| | | | |
| Total Operating Budget - All Funds | \$ 1,190,376 | \$ 1,125,989 | \$ 64,387 |
| | | | |
| Other Financing Uses: | | | |
| Kentucky Advance Revenue Program- | | | |
| Principal | 261,895 | 261,895 | |
| | | | |
| TOTAL BUDGET - ALL FUNDS | \$ 1,452,271 | \$ 1,387,884 | \$ 64,387 |

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable Donna Thurman-Knight, Cumberland County Judge/Executive
Honorable Larry C. Hoots, Former Cumberland County Judge/Executive
Members of the Cumberland County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Cumberland County, Kentucky, as of and for the year ended June 30, 1999, and have issued our report thereon dated March 23, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Cumberland County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cumberland County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

Honorable Donna Thurman-Knight, Cumberland County Judge/Executive
Honorable Larry C. Hoots, Former Cumberland County Judge/Executive
Members of the Cumberland County Fiscal Court
Report On Compliance And On Internal Control Over Financial Reporting Based On An
Audit Of Financial Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
March 23, 2000

**CERTIFICATION OF COMPLIANCE – LOCAL
GOVERNMENT ECONOMIC ASSISTANCE PROGRAM**

CUMBERLAND COUNTY FISCAL COURT

Fiscal Year Ended June 30, 1999

Appendix A

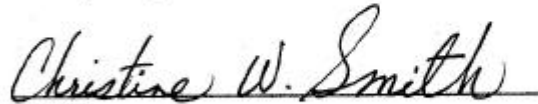
CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
CUMBERLAND COUNTY FISCAL COURT

The Cumberland County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



Name

County Judge/Executive



Name

County Treasurer